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Wealth Managers missing out on increased client demand for socially responsible investing due to lack of knowledge - *Wealth Managers and SRI 2008 Report*

New research released today by Tru-Est and responsible investment specialist EIRIS finds that High Net Worth and Ultra High Net Worth clients in the UK are increasingly looking to apply Socially Responsible Investment (SRI) principles to their investments, but warns that Wealth Managers may be missing out on the opportunities this presents due to a lack of knowledge and confidence on advising on SRI.

The report *Wealth Managers and SRI: Progress and Challenges in 2008* is based on a survey of wealth managers. It explores attitudes of High Net Worth Individuals (HNWIs) towards SRI; the availability of SRI products; and the different requirements of HNWIs who may be interested in applying SRI to their portfolios. Key findings from the survey include:

Growing demand

- The majority of Wealth Managers saw a difference between interest in SRI based on age with 'young inheritors' showing an increased interest in SRI
- A higher proportion of the entrepreneurial wealth community showed an interest in SRI than those with inherited wealth

Lack of knowledge

- Wealth Managers identified a lack of information, knowledge and education on SRI issues and performance as key impediments

Lack of confidence

- More than half of those surveyed felt only 'some what' empowered or less to facilitate an SRI overlay
- Less than one-third of wealth managers felt that they were capable of handling an SRI overlay in-house

Many wealth managers recognized that failing to take Social Ethical and Environmental issues (SEE) into account could expose themselves and their clients to significant risks. Others highlighted the investment opportunities arising from SRI. Katie Gordon, Cazenove Capital said "Engagement and SEE research is more about identifying investment opportunities than screening out social and environmental risk" She continued her observations on SRI growth potential arguing that "Natural resources are increasingly under pressure and their efficient utilisation is a strong opportunity for SRI."

Peter Webster, EIRIS Executive Director said "The areas most commonly identified by survey respondents come down to this; many players in this market are simply not prepared for the expected growth in demand. This conclusion emerges from many more detailed points: managers aren't confident about handling SRI in-house, with a lack of knowledge about particular SRI and about the investment implications. They are uncertain about the resources required and they described their education in the field as largely reactive."

Based on a panel of experts in the field, *Wealth Managers and SRI: Progress and Challenges 2008* debates the various ways in which SRI can be successfully integrated through a number of approaches, helping Wealth Managers to increase their knowledge and understanding of SRI and avoid some of the common pitfalls.

The report is available for sale for £199. Please contact Sue Fisher, sfisher@tru-est.com, +44 (0)20 7674 0405 for more details.

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Notes to editors

1. Tru-Est (www.tru-est.com) is an independent authority on the private wealth management sector. Established in 1993, the company now provides comprehensive data and analysis on the wealth management market and its major players.
2. Private Client Practitioner provides essential analysis of the latest news and key developments in the private client world. It covers all the major issues private clients need to be aware of to give the best possible advice to their clients.
3. Tru-Est also produces the wealth management sector's leading information service at www.thewealthnet.com, as well as several other market-leading wealth management information products. These include Wealth Management and PAM UK.
4. EIRIS (www.eiris.org) EIRIS is a leading global provider of independent research into the environmental, social governance (ESG) and ethical performance of companies. With over 25 years experience of conducting research and promoting responsible investment strategies, EIRIS now provides services to more than 100 asset owners and asset managers globally. EIRIS works with clients to create their own ESG ratings and rankings, to engage with companies and to create specific funds for their clients. EIRIS has a multinational team of over 50 staff in London, together with offices in Boston and Paris. The EIRIS network includes research organisations in Australia, France, Israel, Germany, Spain & South Korean, and now covers over 3,000 companies globally.